



# The Scottsdale/Paradise Valley Tourism Study

## Part I: Lodging Statistics

August 2004

Economic Vitality Department



# Part I: Lodging Statistics

August 2004

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## **STUDY OVERVIEW**

### **Part I: Lodging Statistics**

Part I of this study discusses trends relating to the lodging industry in the Scottsdale/Paradise Valley tourist market area. Specifically, the study looks at trends in local bed tax collection, room inventory, average room rates, occupancy rates and other factors relating to lodging trends. This study is designed to provide necessary data relating to the lodging industry for developers, local hoteliers, tourism marketing representatives, financing agencies and others with an interest in trends in the hospitality industry.

“Part I: Lodging Statistics” is prepared once a year and is available at no charge from the City of Scottsdale Office of Economic Vitality or at [www.scottsdaleaz.gov/economics/reports](http://www.scottsdaleaz.gov/economics/reports).

### **Part II: Visitor Statistics**

Part II of this study deals with trends relating to tourists themselves. It examines the total number of tourists, spending patterns, socio-demographic profiles, and the overall economic impact of the tourism industry in the study area. This study is designed to provide data that gives a profile of the type of tourist that comes to the area, and the economic impact tourism has on the community.

“Part II: Visitor Statistics” is prepared once a year, and is available at no charge from the City of Scottsdale Office of Economic Vitality or at [www.scottsdaleaz.gov/economics/reports](http://www.scottsdaleaz.gov/economics/reports).

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# **THE SCOTTSDALE/PARADISE VALLEY TOURISM STUDY**

## **Introduction**

The economy of the Scottsdale/Paradise Valley area is integrally linked to the tourism market. Yet, until the early 1990's, limited information existed on the impact of tourism on our economy. This lack of information made it difficult to predict the impacts of new developments, changes in the market or how to understand the best way to promote the market.

The purpose of "The Scottsdale/Paradise Valley Tourism Study: Parts I and II" is to provide assistance, through collected industry data, to companies integral to or part of the tourism, retail, or hospitality industry or interested in the marketplace. This study provides market information for the tourism, retail and hospitality operations within the study area, provides information to elected officials and city management, and the general public, regarding the tourism and hospitality markets.

The City of Scottsdale Office of Economic Vitality compiled this report in cooperation with the Scottsdale Convention and Visitors Bureau and the Arizona Department of Revenue, Econometrics Section.

## **Study Limitations - Part I**

Much of the information contained in this study is based on tax collection figures, and will therefore have certain limitations. Bed tax collection figures are used because they are consistently tracked and readily available, however, remember these points:

- The tax receipt figures shown for each month actually reflect tax collections during the previous month. Generally, there is a lag of one month between sales and collections.
- The data in this report (with the exception of room stock figures) is based only on properties located within the City of Scottsdale.
- With the exception of room stock data, no information is available for properties that lie just outside of the corporate limits of the City of Scottsdale, and the Town of Paradise Valley. It can be assumed that the data for these properties would be very similar to like properties the market area.

## **EXECUTIVE SUMMARY**

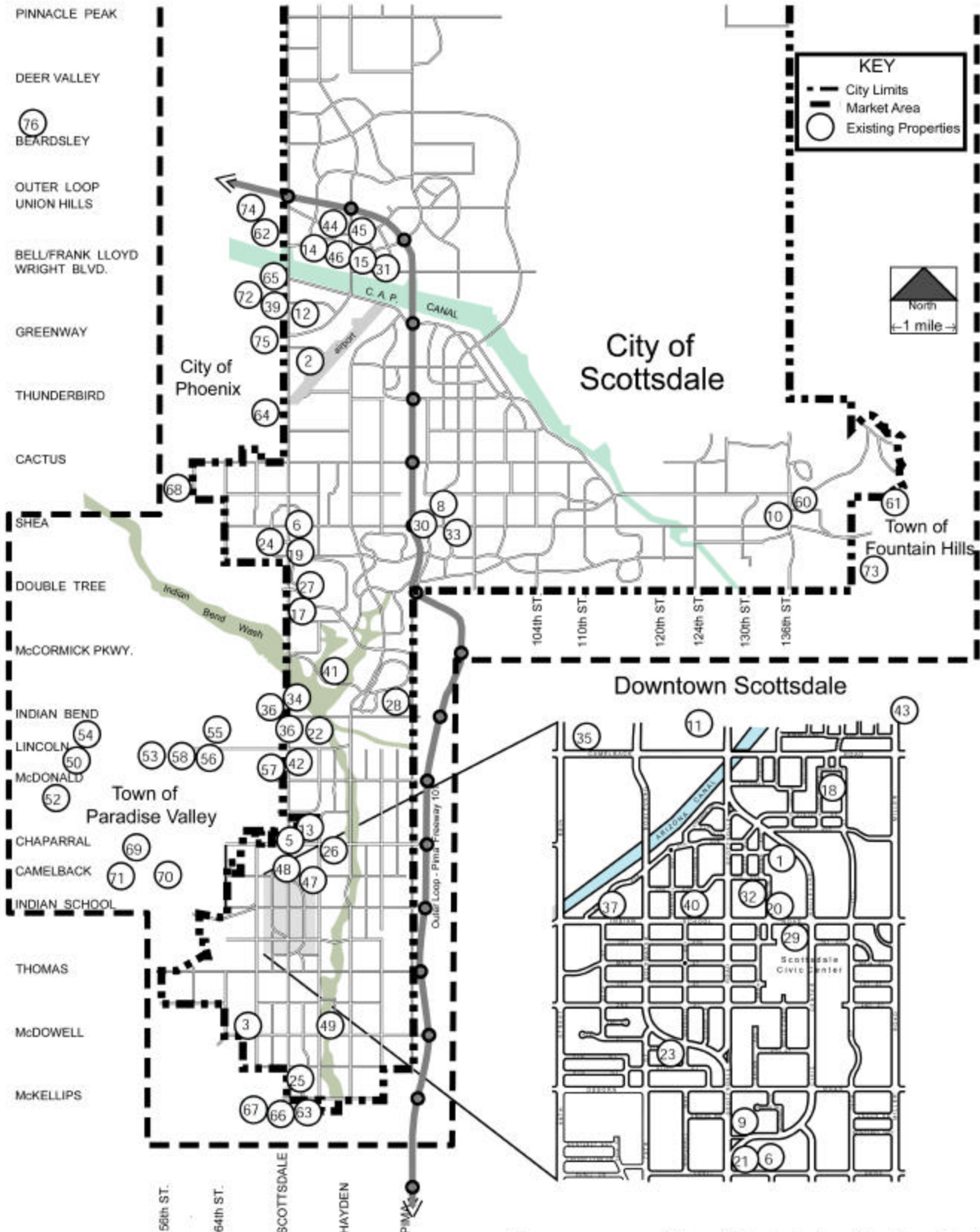
The events of September 11, 2001 had a resounding impact on the entire travel and hospitality industry. The impact for Scottsdale was no different. 2001 data for the Scottsdale/Paradise Valley market reflects a change in how people traveled and conducted business and business travel after September. While occupancy rates climb, bed tax revenues and average room rates are seeing slight declines over the past year. The market slowly continues to improve, but is yet to reach the levels prior to September 11, 2001.

- The annual occupancy rate for Scottsdale in 2003 was 62.2% percent, with a stable supply of rooms. This is an increase from the 2002 occupancy rate of 60.3% percent. Prior to September 11, occupancy was above 2002 levels.
- The market area has absorbed over 6,600 rooms since 1995.
- In 2003, Scottsdale's bed tax revenues decreased approximately 2.0 percent from 2002, totaling \$6.7 million. Hotel/motel sales tax revenues for 2003 decreased by 3 percent from the previous year, totaling \$5.37 million in collections.
- The Desert Ridge Marriott and the Westin Kierland Resort, both located in Phoenix; opened in late 2002. Desert Ridge has 950 rooms and Kierland opened with 753 rooms. Both properties also have significant meeting space
- The average room rate was \$130.84 for 2003. This is a decrease from the 2002 average of \$133.63.

## THE SCOTTSDALE PARADISE VALLEY MARKET AREA

The market area maps show the boundaries of the Scottsdale/Paradise Valley market area.

This area contains all of the City of Scottsdale the Town of Paradise Valley and portions of the cities of Phoenix, Tempe, and the towns of Carefree, Cave Creek and Fountain Hills



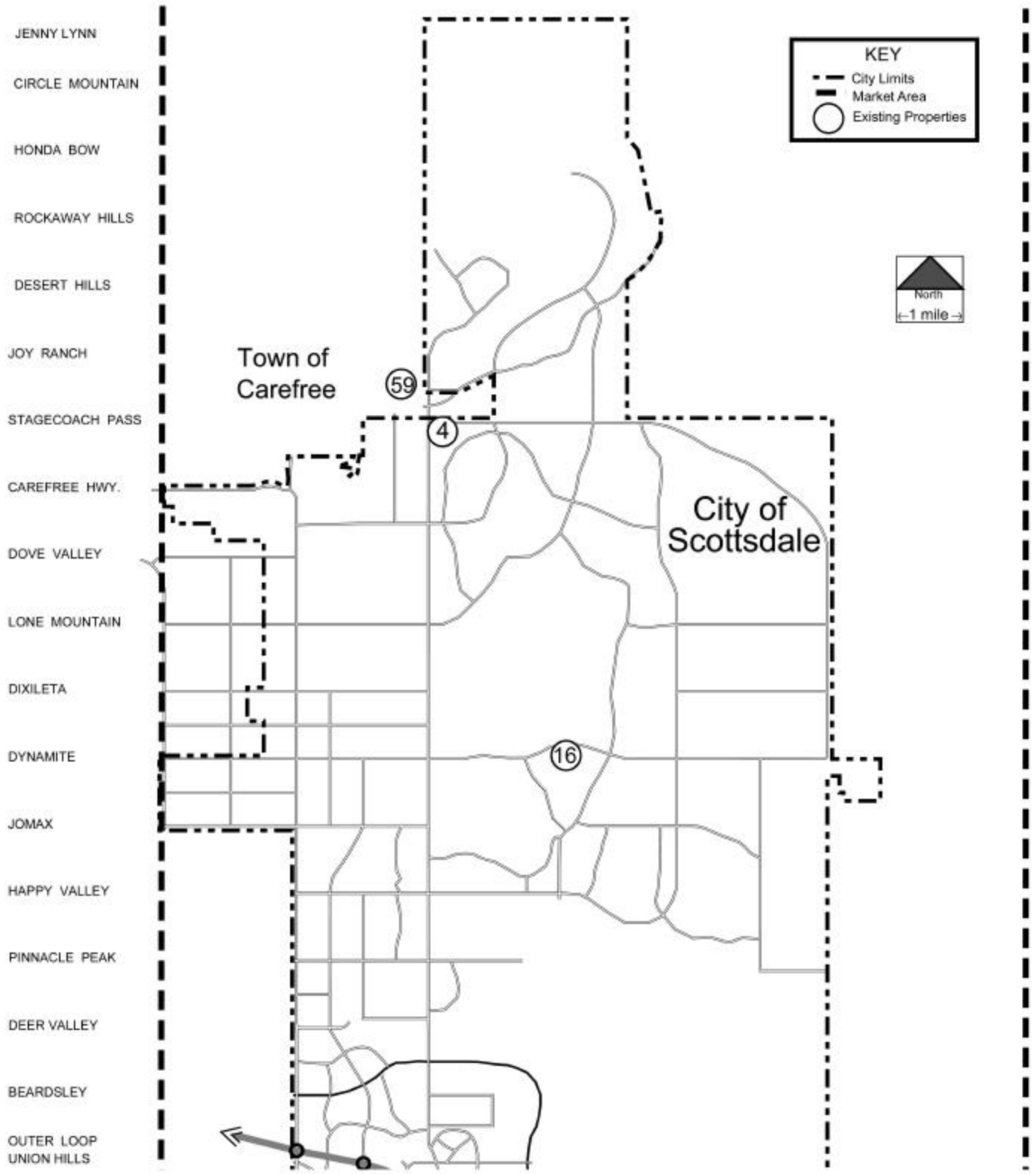




Table 1  
**Existing Scottsdale/Paradise Valley Market Area Properties**  
 (Transient Use Properties With 25 or More Rooms)

Key	Property Name	Address	Web Address	# of Rooms
<b>Scottsdale Properties</b>				
1	Amersuites Hotel	7300 E. 3rd Ave.	<a href="http://AmeriSuites.com">AmeriSuites.com</a>	128
2	Best Western Scottsdale Airpark	7515 E. Butherus Dr.	<a href="http://Scottsdalebestwestern.com">Scottsdalebestwestern.com</a>	120
3	Best Western Papago Inn	7017 E. McDowell Rd.	<a href="http://BestWestern.com">BestWestern.com</a>	56
4	The Boulders	34631 N. Tom Darlington	<a href="http://Wyndham.com">Wyndham.com</a>	160
5	Chaparral Suites	5001 N. Scottsdale Rd.	<a href="http://Chaparralsuites.com">Chaparralsuites.com</a>	311
6	Comfort Inn	7350 E. Gold Dust Ave.	<a href="http://Choicehotels.com">Choicehotels.com</a>	123
7	Comfort Suites	3275 N. Drinkwater Blvd.	<a href="http://Choicehotels.com">Choicehotels.com</a>	60
8	Country Inn & Suites	10801 N. 89th Pl.	<a href="http://Choicehotels.com">Choicehotels.com</a>	163
9	Courtyard (Downtown)	3311 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	180
10	Courtyard Mayo Clinic	13444 E. Shea Blvd.	<a href="http://Marriott.com">Marriott.com</a>	124
11	Days Inn at Fashion Square	4710 N. Scottsdale Rd.	<a href="http://Daysinn.com">Daysinn.com</a>	167
12	Extended Stay America	15501 N. Scottsdale Rd.	<a href="http://Extendedstay.com">Extendedstay.com</a>	120
13	Fairfield Inn (central)	5101 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	218
14	Fairmont Princess Resort	7575 E. Princess Dr.	<a href="http://Fairmont.com">Fairmont.com</a>	651
15	Five Star Leisure (Scottsdale Links)	16858 N. Perimeter Dr.	<a href="http://Epicresorts.com/Scottsdale.cfm">Epicresorts.com/Scottsdale.cfm</a>	228
16	Four Seasons Resort	10600 E. Crescent Moon Dr.	<a href="http://Fourseasons.com/scottsdale">Fourseasons.com/scottsdale</a>	210
17	Gainey Suites	7300 E. Gainey Suites Dr.	<a href="http://Gaineysuiteshotel.com">Gaineysuiteshotel.com</a>	162
18	Hampton Inn (Old Town)	4415 N. Civic Center Plaza	<a href="http://Hamptoninn.com">Hamptoninn.com</a>	126
19	Hampton Inn Scottsdale Gainey	10101 N. Scottsdale Rd.	<a href="http://Hamptoninn.com">Hamptoninn.com</a>	130
20	Hilton Garden Inn	7324 E. Indian School Rd.	<a href="http://Hilton.com">Hilton.com</a>	200
21	Holiday Inn Express	3131 N. Scottsdale Rd.	<a href="http://Holidayinnarizona.com">Holidayinnarizona.com</a>	171
22	Holiday Inn SunSpree Resort	7601 E. Indian Bend Rd.	<a href="http://Holidayinnarizona.com">Holidayinnarizona.com</a>	200
23	Homestead Studio Suites	3560 N. Marshall Way	<a href="http://Homesteadvillage.com">Homesteadvillage.com</a>	121
24	Homewood Suites	9880 N. Scottsdale Rd.	<a href="http://Homewoodsuites.com">Homewoodsuites.com</a>	114
25	Hospitality Suites	409 N. Scottsdale Rd.	<a href="http://Hospitalitysuites.com">Hospitalitysuites.com</a>	210
26	Hotel Waterfront Ivy	7445 E. Chaparral Rd.	<a href="http://Hotelwaterfrontivy.com">Hotelwaterfrontivy.com</a>	105
27	Hyatt Regency Scottsdale	7500 E. Doubletree Ranch Rd.	<a href="http://Hyatt.com">Hyatt.com</a>	494
28	The Inn at Pima	7330 N Pima Rd.	<a href="http://zmchotels.com/az/pima.html">zmchotels.com/az/pima.html</a>	117
29	James Hotel	7353 E. Indian School Rd.	<a href="http://Jameshotels.com">Jameshotels.com</a>	194
30	La Quinta	8888 E. Shea Blvd.	<a href="http://LaQuinta.com">LaQuinta.com</a>	140
31	Marriott McDowell Mountain	16770 N. Perimeter Dr.	<a href="http://Marriott.com">Marriott.com</a>	270
32	Marriott Suites	7325 E. 3rd Ave.	<a href="http://Marriott.com">Marriott.com</a>	251
33	Marriott TownPlace	10740 N. 90th St.	<a href="http://Marriott.com">Marriott.com</a>	131
34	Millennium McCormick Ranch	7401 N. Scottsdale Rd.	<a href="http://Millennium-hotels.com">Millennium-hotels.com</a>	125
35	Motel 6	6848 E. Camelback Rd.	<a href="http://Motel6.com">Motel6.com</a>	122
36	Radisson Resort	7171 N. Scottsdale Rd.	<a href="http://Radissonscottsdale.com">Radissonscottsdale.com</a>	318
37	Ramada Limited	6935 E. 5 <sup>th</sup> Ave.	<a href="http://Ramadascottsdale.com">Ramadascottsdale.com</a>	92
38	Residence Inn	6040 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	122
39	Residence Inn North Scottsdale	17011 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	120
40	Rodeway Inn Scottsdale	7110 E. Indian School Rd.	<a href="http://Choicehotels.com">Choicehotels.com</a>	65
41	Scottsdale Conference Resort	7700 E. McCormick Parkway	<a href="http://Scottsdconf.com">Scottsdconf.com</a>	326

Table 1 (Continued)

Key	Property Name	Address	Web Address	# of Rooms
<b>Scottsdale (Continued)</b>				
42	Scottsdale Hilton Resort & Villa	6333 N. Scottsdale Rd	<a href="http://Hilton.com">Hilton.com</a>	186
43	Scottsdale Park Suites	1251 N. Miller Road	<a href="http://Scottsdaleparkapts.com">Scottsdaleparkapts.com</a>	93
44	Scottsdale Resort Suites	7677 E Princess Blvd.	<a href="http://Resortsuites.com">Resortsuites.com</a>	488
45	Scottsdale Villa Mirage	7887 E. Princess Blvd.	<a href="http://villa-mirage.com">villa-mirage.com</a>	228
46	Sierra Suites	10660 N. 69 <sup>th</sup> St.	<a href="http://Sierrasuites.com">Sierrasuites.com</a>	105
47	Summerfield Suites	4245 N. Drinkwater Dr.	<a href="http://Wyndham.com">Wyndham.com</a>	164
48	SunBurst Resort	4925 N. Scottsdale Rd.	<a href="http://Sunburstresort.com">Sunburstresort.com</a>	210
49	Three Palms Resort Oasis	7707 E. McDowell Rd.	<a href="http://3palmsresortoasis.com">3palmsresortoasis.com</a>	116
<b>Paradise Valley Properties*</b>				
50	Doubletree La Posada Resort Hotel	4949 E. Lincoln Dr.	<a href="http://Doubletree.com">Doubletree.com</a>	262
51	Doubletree Paradise Valley Resort	5401 N. Scottsdale Rd.	<a href="http://Doubletree.com">Doubletree.com</a>	387
52	Hermosa Inn	5532 N. Palo Cristi Dr.	<a href="http://Hermosainn.com">Hermosainn.com</a>	35
53	Marriott Camelback Inn	5402 E. Lincoln Dr.	<a href="http://Marriott.com">Marriott.com</a>	453
54	Marriott Mountain Shadows	5641 E. Lincoln Dr.	<a href="http://Marriott.com">Marriott.com</a>	337
55	Renaissance Scottsdale Resort	6160 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	171
56	Sanctuary Resort on Camelback	5700 E. McDonald Dr.	<a href="http://Sanctuaryaz.com">Sanctuaryaz.com</a>	98
57	Scottsdale Plaza Resort	7200 N. Scottsdale Rd	<a href="http://Scottsdaleplaza.com">Scottsdaleplaza.com</a>	404
58	Smoke Tree Resort	7101 E. Lincoln Dr.	<a href="http://Smoketreeresort.com">Smoketreeresort.com</a>	25
<b>Other Market Properties (Carefree, Fountain Hills, Phoenix, Tempe)*</b>				
59	Carefree Resort & Villa	37220 N. Mule Train Rd.	<a href="http://Carefree-resort.com">Carefree-resort.com</a>	363
60	Comfort Inn (Fountain Hills)	17105 E. Shea Blvd.	<a href="http://Choicehotels.com">Choicehotels.com</a>	48
61	CopperWynd (Fountain Hills)	13225 Eagle Mountain Dr	<a href="http://Copperwynd.com">Copperwynd.com</a>	40
62	Courtyard Scottsdale (north)	17010 N. Scottsdale Rd.	<a href="http://Marriott.com">Marriott.com</a>	153
63	Executive Suites, Extended Stay (Tempe)	1635 N. Scottsdale Rd.	<a href="http://Extendedstay.com">Extendedstay.com</a>	140
64	Fairfield Inn (North)	13440 N. Scottsdale Rd	<a href="http://Marriott.com">Marriott.com</a>	132
65	Hampton Inn/Suites (north)	16620 N. Scottsdale Rd.	<a href="http://Hamptoninn.com">Hamptoninn.com</a>	123
66	Hampton Inn/Suites (Tempe)	1429 N. Scottsdale Rd.	<a href="http://Hamptoninn.com">Hamptoninn.com</a>	160
67	Motel 6 (Tempe)	1612 N. Scottsdale Rd.	<a href="http://Motel6.com">Motel6.com</a>	101
68	Orange Tree Golf Resort (Phoenix)	10601 N. 56th St.	<a href="http://Orangetreegolfresort.com">Orangetreegolfresort.com</a>	160
69	Phoenician Resort (Phoenix)	6000 E. Camelback Rd.	<a href="http://Starwood.com">Starwood.com</a>	654
70	Royal Palms Inn (Phoenix)	5200 E. Camelback Rd.	<a href="http://Royalpalmsotel.com">Royalpalmsotel.com</a>	117
71	Scottsdale Camelback Resort	6302 E. Camelback Rd.	<a href="http://Scottsdalecamelback.com">Scottsdalecamelback.com</a>	111
72	Sleep Inn (Phoenix)	16630 N. Scottsdale Rd.	<a href="http://Choicehotels.com">Choicehotels.com</a>	107
73	Southwest Inn at Eagle Mountain (FH)	9800 Summerhill Blvd.	<a href="http://Southwestinn.com">Southwestinn.com</a>	42
74	Springhill Suites (Phoenix)	17020 N. Scottsdale	<a href="http://Marriott.com">Marriott.com</a>	123
75	The Westin Kierland Resort (Phoenix)	6902 E. Greenway Parkway	<a href="http://Kierlandresort.com">Kierlandresort.com</a>	753
76	Desert Ridge Marriott (Phoenix)	5350 E. Marriott Dr.	<a href="http://Desertridgeresort.com">Desertridgeresort.com</a>	950

**Note:** \*—indicates that these properties do not pay bed taxes or hotel sales taxes to the City of Scottsdale, and not all are included in the market area data as defined by Smith Travel Research

**Source:** City of Scottsdale, Economic Vitality Office

## TRENDS IN TAX COLLECTION

### Transient or Bed Tax - City of Scottsdale

The City of Scottsdale has a three percent transient occupancy tax (bed tax). In the past 10 years the bed tax has generated \$64.3 million in revenue for the City. Approximately 70 percent of this revenue currently goes to the Scottsdale Convention and Visitors Bureau for tourist promotion activities. The remainder is administered by the City for tourism development activities and tourism research.

*Table 2* presents a monthly and yearly breakdown of the bed tax receipts for Scottsdale from calendar year 1994 through 2003. During 2003, the City collected \$6.7 million in bed taxes, a 2 percent decrease from 2002 collections. This is a result of several factors, including the lingering effects of September 11, 2001, combined with an economic downturn, and the addition of 2,200 new rooms in the immediate market. Up to the month of September 2001, bed tax revenue was above same data for the year prior.

### Sales Tax - City of Scottsdale

In addition to bed tax, the City of Scottsdale tracks the collections of the business privilege tax (1.4%) on all sales transactions in hotels. This sales tax was previously 1.2 percent and was increased by 0.2 percent in July of 1995 (dedicated to mountain preservation). By maintaining a separate listing of all sales tax received from hotels and motels, this tax provides a mechanism to track visitor purchasing amenity trends. *Table 3* enumerates sales tax collected in Scottsdale hotels and motels since 1994.

Sales tax revenues (privilege tax) generated by hotel properties in 2003 were \$5.4 million, a 3 percent decrease from 2002. Once again over 25% of the revenues in this category are recognized in October, November and December. Since 1994 the hotel/motel sales tax has generated just under \$50 million in revenues for the City of Scottsdale.

Table 2  
**City of Scottsdale**  
Monthly Bed Tax Receipts in Dollars  
3% Tax Rate

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
<b>1994</b>	\$255,509	\$424,947	\$655,515	\$723,506	\$527,986	\$361,750	\$170,877	\$205,259	\$155,649	\$318,469	\$447,822	\$335,601	\$4,582,890
<b>1995</b>	\$325,679	\$560,351	\$680,585	\$781,581	\$578,431	\$396,487	\$270,576	\$175,588	\$158,768	\$320,314	\$497,235	\$439,448	\$5,185,043
<b>1996</b>	\$363,541	\$658,877	\$784,038	\$927,067	\$667,947	\$409,284	\$289,456	\$237,685	\$231,969	\$342,306	\$523,636	\$551,012	\$5,986,818
<b>1997</b>	\$477,068	\$696,930	\$795,223	\$1,090,620	\$712,372	\$519,519	\$315,036	\$191,495	\$235,845	\$391,652	\$536,144	\$661,539	\$6,623,443
<b>1998</b>	\$435,611	\$852,280	\$915,586	\$1,012,092	\$791,591	\$538,444	\$334,166	\$245,584	\$231,896	\$352,568	\$574,635	\$593,899	\$6,878,352
<b>1999</b>	\$428,761	\$762,079	\$898,346	\$1,033,382	\$692,130	\$513,997	\$281,734	\$266,141	\$209,783	\$380,434	\$601,511	\$558,127	\$6,626,425
<b>2000</b>	\$478,758	\$717,019	\$1,093,554	\$1,070,959	\$939,985	\$575,479	\$417,742	\$233,036	\$270,883	\$428,828	\$686,234	\$707,216	\$7,619,693
<b>2001</b>	\$565,432	\$850,937	\$1,007,629	\$1,198,098	\$820,996	\$596,238	\$372,650	\$235,168	\$280,990	\$277,310	\$487,649	\$583,399	\$7,276,496
<b>2002</b>	\$449,985	\$775,851	\$862,460	\$1,100,792	\$787,004	\$535,965	\$312,734	\$239,386	\$279,403	\$344,487	\$587,069	\$571,710	\$6,846,846
<b>2003</b>	\$471,792	\$746,800	\$897,381	\$1,003,655	\$737,465	\$504,220	\$304,820	\$243,645	\$264,186	\$382,989	\$602,385	\$553,865	\$6,713,203
% of 2003 Total	7.0%	11.1%	13.4%	15.0%	11.0%	7.5%	4.5%	3.6%	3.9%	5.7%	9.0%	8.3%	100%
Avg % of 10 yr Total	6.6%	11.0%	13.4%	15.5%	11.3%	7.7%	4.8%	3.5%	3.6%	5.5%	8.6%	8.6%	100%

**Source:** City of Scottsdale, Tax Audit Department

**Note:** Bed tax is normally reported to the City the month after receipt. The figures listed above generally reflect activity in the *previous* month, and do not account for late payments.

Table 3  
**City of Scottsdale**  
Monthly Hotel Sales Tax Receipts in Dollars

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
<b>1994</b>	\$191,103	\$282,774	\$401,701	\$405,166	\$328,560	\$252,377	\$122,566	\$170,826	\$101,853	\$229,395	\$314,180	\$215,063	\$3,015,564
<b>1995</b>	\$238,609	\$370,087	\$400,927	\$468,653	\$366,277	\$299,109	\$206,932	\$153,069	\$175,892	\$257,563	\$387,869	\$342,390	\$3,667,377
<b>1996*</b>	\$334,232	\$479,619	\$528,376	\$653,322	\$463,664	\$377,825	\$234,918	\$180,997	\$184,509	\$323,224	\$423,176	\$470,188	\$4,654,050
<b>1997*</b>	\$349,487	\$513,860	\$558,121	\$745,646	\$547,451	\$413,388	\$281,368	\$172,797	\$218,433	\$324,910	\$414,266	\$548,234	\$5,087,961
<b>1998*</b>	\$360,209	\$616,312	\$612,897	\$700,661	\$580,163	\$461,490	\$330,831	\$245,346	\$209,904	\$318,229	\$452,718	\$504,113	\$5,392,873
<b>1999*</b>	\$348,608	\$554,700	\$611,754	\$702,254	\$516,702	\$450,272	\$270,852	\$229,003	\$194,780	\$327,698	\$487,502	\$464,592	\$5,158,717
<b>2000*</b>	\$418,966	\$538,775	\$778,685	\$748,876	\$716,202	\$509,017	\$412,814	\$227,697	\$248,210	\$414,869	\$519,498	\$561,904	\$6,095,513
<b>2001*</b>	\$488,363	\$607,198	\$763,428	\$848,912	\$636,231	\$515,856	\$332,858	\$207,730	\$241,810	\$212,854	\$391,641	\$464,938	\$5,741,819
<b>2002*</b>	\$466,068	\$575,936	\$614,064	\$792,876	\$620,555	\$472,598	\$314,162	\$199,436	\$221,330	\$309,471	\$472,485	\$476,151	\$5,535,132
<b>2003*</b>	\$401,062	\$553,865	\$648,648	\$714,211	\$582,669	\$457,299	\$278,415	\$209,706	\$229,814	\$341,882	\$489,418	\$466,400	\$5,373,389
% of 2003 Total	7.5%	10.3%	12.1%	13.3%	10.8%	8.5%	5.2%	3.9%	4.3%	6.4%	9.1%	8.7%	100%
Avg % of 10 yr Total	7.2%	10.2%	11.9%	13.6%	10.8%	8.5%	5.6%	4.0%	4.1%	6.2%	8.8%	9.1%	100%

**Source:** City of Scottsdale, Tax Audit Department

**Note:** Sales tax is normally reported to the City the month after receipt. The figures listed above generally reflect activity from the *previous* month, and do not account for late payments.

\*The sales tax rate increased from 1.2% to 1.4% in July of 1995

## TRENDS IN ROOM INVENTORY

### Room Supply

*Table 4* presents hotel room supply inventory for the study market area since 1994. The market area room inventory expanded every year from 1995 to 2000, increasing the market area room inventory by 50 percent, almost 4,450 rooms in a five-year period. *Table 5* shows the room inventory of the City of Scottsdale by category.

### New Construction

The JW Marriott Desert Ridge and the Westin Kierland Resort, both located in Phoenix; opened in late 2002. Desert Ridge has 950 rooms and Kierland opened with 753 rooms. Both properties also have significant meeting space. The Sheraton Wild Horse Pass, located on the Gila River Indian Reservation, opened in late 2002 with 500 rooms.

A Wingate Inn (112 rooms) is scheduled for a Fall 2004 opening. A Hilton Garden Inn (120 rooms) is slated to open in Spring 2005. Both are located within the City of Scottsdale.

### Property Inventory

*Table 6* lists existing properties within the Scottsdale/Paradise Valley market area. The properties are classified by facility type and also provide room and general manager information.

In previous Lodging Statistics reports the hotels were classified as Luxury, Moderate, or Limited Service. The hotels have been reclassified in this edition to better describe hotel facilities based on Smith Travel Research information. The new classifications are Resort, Full Service, and Limited Service.

Table 4  
**Total Market Area Hotel Inventory**

<b>Inventory as of January 1</b>	<b>City of Scottsdale</b>	<b>Town of Paradise Valley</b>	<b>Other Hotels in Market Area</b>	<b>Total</b>
1994	5,515	2,151	1,320	8,986
1995*	5,428	2,144	1,295	8,867
1996	5,758	2,144	1,295	9,197
1997	6,778	2,144	1,605	10,527
1998	7,188	2,173	1,700	11,061
1999	8,313	2,174	2,268	12,755
2000	8,731	2,174	2,245	13,150
2001	8,732	2,172	2,344	13,248
2002	8,769	2,174	4,149	15,092
2003	9,035	2,172	4,277	15,484

**Source:** Warnick & Co., STR, City of Scottsdale Economic Vitality Office

**Notes:** List only includes properties with 25 or more rooms that are predominately targeted to short term (less than 30 days) rental.

\*adjustments made for minor room number changes, and deletion of rooms for additional meeting space; these adjustments occurred over time but were adjusted in 1995.

Map 1 describes the Scottsdale/Paradise Valley market area.

Table 1 lists properties covered by this report.

\*\*Not all properties included in the above market area are included in the STR market area, and, therefore, are not included in the calculations for Table 7 and Chart 1.

Table 5  
**Cit of Scottsdale Rooms by Category**

<b>Category</b>	<b>Number of Rooms</b>	<b>Percent of Market</b>
Resort	3,866	43 %
Full Service	1,570	17 %
Limited Service	3,599	40 %

**Source:** Smith Travel Research/ City of Scottsdale Economic Vitality

\*Note: Scottsdale bed tax paying properties only counted.

Table 6  
**Resort Hotel Properties**  
**Scottsdale/Paradise Valley Market Area**

<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>	<b>Category</b>
The Boulders	John Paul Oliver	160	Scottsdale	Resort
Carefree Resort & Villa	Catherine Moseley	363	Carefree	Resort
Doubletree La Posada Resort	Jerry Link	262	Paradise Valley	Resort
Doubletree Paradise Valley Resort	Doug Cole	387	Paradise Valley	Resort
Fairmont Princess Resort	Kiaran MacDonald	651	Scottsdale	Resort
Four Seasons Resort	Tom Kelly	210	Scottsdale	Resort
Holiday Inn SunSpree Resort*	Homer Seran	200	Scottsdale	Resort
Hyatt Regency Scottsdale	Marc Ellin	494	Scottsdale	Resort
JW Marriott Desert Ridge	Steve Hart	950	Phoenix	Resort
Marriott Camelback Inn	Wynn Tyner	453	Paradise Valley	Resort
Marriott McDowell Mountain	Janice Milhan	270	Scottsdale	Resort
Marriott's Mountain Shadows	Jim Ryan	337	Paradise Valley	Resort
Millennium Resort at McCormick Ranch	David McKee	125	Scottsdale	Resort
Orange Tree Golf Resort	Jonathan Rarig	160	Phoenix	Resort
Phoenician Resort	Mark Vinciguerra	654	Phoenix	Resort
Radisson Resort	Matt Kinley	318	Scottsdale	Resort
Renaissance Scottsdale Resort	Richard Bibee	171	Paradise Valley	Resort
Royal Palms Inn	Greg Miller	117	Phoenix	Resort
Sanctuary on Camelback	Mike Surguine	98	Paradise Valley	Resort
Scottsdale Conference Resort	Brenda Weskamp	326	Scottsdale	Resort
Scottsdale Hilton Resort	Richard Behr	186	Scottsdale	Resort
Scottsdale Plaza Resort	Dick Legore	404	Paradise Valley	Resort
Scottsdale Resort Suites	Rick Hamilton	488	Scottsdale	Resort
Scottsdale Villa Mirage	Terry Gunn	228	Scottsdale	Resort
SunBurst Resort	Dori Familiant	210	Scottsdale	Resort
Westin Kierland Resort and Spa	J. Bruce Lange	753	Phoenix	Resort

\*= closed in May 2004



Table 6 (continued)  
**Full Service Hotel Properties**  
**Scottsdale/Paradise Valley Market Area**

<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>	<b>Category</b>
Best Western Papago Inn	Harley Stark	56	Scottsdale	Full Service
Best Western Scottsdale Airpark	Robert Chreier	120	Scottsdale	Full Service
Chaparral Suites	Tom Silverman	311	Scottsdale	Full Service
CopperWynd	NA	40	Fountain Hills	Full Service
Hermosa Inn	Michael Gildersleeve	35	Paradise Valley	Full Service
Hilton Garden Inn	Sally Schaffer	200	Scottsdale	Full Service
Hospitality Suites	Steve Jackson	210	Scottsdale	Full Service
James Hotel	Todd Iacono	194	Scottsdale	Full Service
Marriott Suites	Ned Sickle	251	Scottsdale	Full Service
Scottsdale Links Resort (Five Star Leisure)	Brent Mayfield	228	Scottsdale	Full Service
Scottsdale Camelback Resort	Lori Entwistle	111	Scottsdale	Full Service
Southwest Inn at Eagle Mountain	Linda Ruby	42	Fountain Hills	Full Service

Table 6 (continued)  
**Limited Service Hotel Properties**  
**Scottsdale/Paradise Valley Market Area**

<b>Property Name</b>	<b>General Manager</b>	<b># of Rooms</b>	<b>Location</b>	<b>Category</b>
AmeriSuites Hotel	Jill Clark	128	Scottsdale	Ltd Service
Comfort Inn	Mary Burgess	123	Scottsdale	Ltd Service
Comfort Inn (Fountain Hills)	Sam Trivedi	48	Fountain Hills	Ltd Service
Comfort Suites	David Montero	60	Scottsdale	Ltd Service
Country Inn/Suites	Mary Ayla	163	Scottsdale	Ltd Service
Courtyard (Downtown)	Shannon Linahan	180	Scottsdale	Ltd Service
Courtyard Mayo Clinic	Jean Schaffer	124	Scottsdale	Ltd Service
Courtyard Scottsdale (north)	Mike Flemming	153	Phoenix	Ltd Service
Days Inn at Fashion Square	Jim Renahan	167	Scottsdale	Ltd Service
Executive Suites, Extended Stay	Sam Huang	140	Tempe	Ltd Service
Extended Stay America	Bevin Foreman	120	Scottsdale	Ltd Service
Fairfield Inn (central)	Joe Leinacker	218	Scottsdale	Ltd Service
Fairfield Inn (north)	Cynthia McCracken	132	Phoenix	Ltd Service
Gainey Suites Hotel	Richard Newman	162	Scottsdale	Ltd Service
Hampton Inn (Old Town)	Cindie Niedzielski	126	Scottsdale	Ltd Service
Hampton Inn & Suites (north)	Michelle Thompson	123	Phoenix	Ltd Service
Hampton Inn Scottsdale Gainey	Mary Burgess	130	Scottsdale	Ltd Service
Hampton Inn & Suites (Tempe)	L.J. Benjamin	160	Tempe	Ltd Service
Hawthorne Suites/Hotel Ivy	Tom Davey	105	Scottsdale	Ltd Service
Holiday Inn Express	Wayne Hendricks	171	Scottsdale	Ltd Service
Homestead Studio Suites	Carmen Walls	121	Scottsdale	Ltd Service
Homewood Suites	Robin Sennern	114	Scottsdale	Ltd Service
The Inn at Pima	Diane Lyon	117	Scottsdale	Ltd Service
La Quinta	Alan Ames	140	Scottsdale	Ltd Service
Marriott TownPlace	Delia DeFreitas	131	Scottsdale	Ltd Service
Motel 6	Brandon Powers	122	Scottsdale	Ltd Service
Motel 6 (Tempe)	Jessica Hernandez	101	Tempe	Ltd Service
Ramada Limited	Albert Flores	92	Scottsdale	Ltd Service
Residence Inn	Edie Rees	122	Scottsdale	Ltd Service
Residence Inn North Scottsdale	Terry Mayberry	120	Scottsdale	Ltd Service
Rodeway Inn	Gretchen Geerdes	65	Scottsdale	Ltd Service
Scottsdale Park Suites	Jeff Scott	93	Scottsdale	Ltd Service
Sierra Suites	Patti Davidson	105	Scottsdale	Ltd Service
Sleep Inn	Richard Baise	107	Phoenix	Ltd Service
Smoke Tree Resort	Colin Williams	25	Paradise Valley	Ltd Service
Springhill Suites	Robin Fennern	123	Phoenix	Ltd Service
Summerfield Suites	David Murray	164	Scottsdale	Ltd Service
Three Palms Resort Oasis	Randy McCamman	116	Scottsdale	Ltd Service

## AVERAGE ROOM RATES AND OCCUPANCY RATES

### Average Room Rates

The Office of Economic Vitality calculated average room rate estimations from 1992 - 1999. In 2000, the City of Scottsdale began using data from Smith Travel Research. The average room rate data from Smith Travel between 1993 and 2000 represents a survey of most of the Scottsdale/Paradise Valley properties, but not all.

*Table 7* demonstrates that average room rates within the Scottsdale/Paradise Valley market area have increased significantly since 1994. *Chart 1* visually represents the same data. In the last ten years, the room rate formula for Scottsdale/Paradise Valley showed an increase of 13 percent. Smith Travel Research reports that the 2003 average room rate for Scottsdale/Paradise Valley market area hotels was \$130.84.

### Average Occupancy Rates

The Office of Economic Vitality began using Smith Travel Research occupancy data in 2000. Occupancy rates for the last ten years are also shown on *Table 7*.

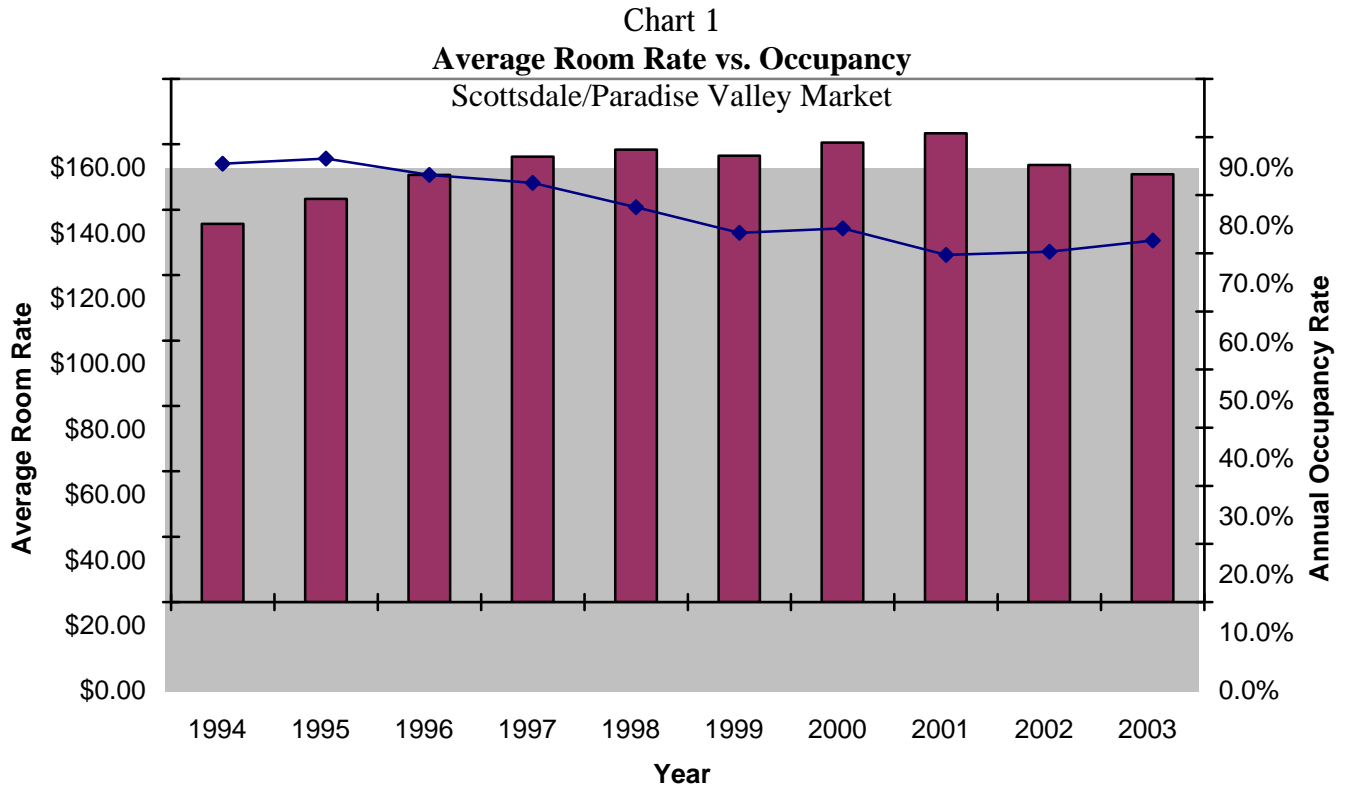
According to Smith Travel Research, hotels in the immediate Scottsdale/Paradise valley area experienced an occupancy rate of 62.2 percent 2003, just under a two-point increase over 2002. The high level of new room construction in the late nineties ceased in 2000 and the room supply has begun to stabilize.

Table 7  
**Occupancy & Average Rate**  
 Scottsdale/Paradise Valley Market Area

Calendar Year	Gross Room Revenue (a)	Average Room Rate	Room Demand	Room Supply	Annual Occupancy
1994	\$ 221,830,366	\$ 115.63	2,209,339	2,930,950	75.4%
1995	\$ 244,853,400	\$ 123.28	2,281,600	2,990,745	76.3%
1996	\$ 278,503,133	\$ 130.60	2,336,327	3,180,771	73.5%
1997	\$ 302,279,593	\$ 136.25	2,406,994	3,336,939	72.1%
1998	\$ 269,445,800	\$ 138.40	2,497,942	3,673,854	67.9%
1999	\$ 306,350,177	\$ 136.56	2,535,392	4,003,300	63.5%
2000	\$ 342,743,333	\$ 140.53	2,759,671	4,310,615	64.3%
2001	\$ 319,827,899	\$ 143.34	2,533,188	4,254,075	59.7%
2002	\$ 336,361,361	\$ 133.63	2,517,138	4,175,407	60.3%
2003	\$ 332,223,026	\$ 130.84	2,539,213	4,081,474	62.2%

Source: Smith Travel Research

Notes: (a) Room demand multiplied by average room rate



Source: Smith Travel Research

## ROOM REVENUES V. TOTAL HOTEL REVENUES

*Table 8* presents a comparison of total room revenues to total hotel revenues. This provides a means of assessing the relative importance of room revenues compared to all other revenue sources within the hotels (food, beverage, gift shop and recreational sales).

Over the past ten years, room revenues have provided an average of 58.6 percent of total hotel revenues at Scottsdale properties. The trend also shows the percentage of room revenue increasing, and non-room revenue decreasing within the City of Scottsdale (see *Table 8*). During the early 1990's, room revenues as a percentage of total hotel revenues were below 55 percent, however, more recently, the figure has increased to the 58-59 percent range. This is most likely due to the change in the product mix with the increasing amount of limited service properties added to the market.

In 1993, room revenues in the City of Scottsdale rose to nearly 60 percent of total hotel revenues, as both business and leisure travelers cut back on non-room items. In 1994, 1995, and 1996 a shift occurred in this trend with room revenues as a percentage of total hotel revenues showing 56.3 percent, 56.6 percent and 56.7 percent, respectively (see *Table 8*).

For 2000, the percentage of room revenues of total hotel revenues in the City of Scottsdale was 58.4 percent, reflecting the downward pressure on room rates because of the expanded number of non-amenity properties. In 2001, the percentage of room revenues to hotel revenues rose to 59.2 percent before dropping to 57.7 percent in 2002. In 2003, the percentage rose by almost a full point to 58.6 percent.

*Table 9* presents a comparison of total room revenues, total bed tax paid, and total privilege tax paid for resort, full service, and Limited service hotel/motels for July 2003.

*Tables 8 and 9* refer solely to properties within Scottsdale. These properties are listed in the Scottsdale section of *Table 1*.

Table 8  
**Room Revenue as a Percentage of Total Hotel Revenue**  
City of Scottsdale

Calendar Year	Total Room Revenue	Total Hotel Revenues	Room Revenue as a % of Hotel Revenue
1994	\$ 141,576,300	\$ 251,297,750	56.3%
1995	\$ 172,908,833	\$ 290,022,416	59.6%
1996	\$ 199,560,600	\$ 351,678,083	56.7%
1997	\$ 202,883,923	\$ 338,348,602	59.9%
1998	\$ 219,884,233	\$ 368,850,214	59.6%
1999	\$ 220,880,800	\$ 368,479,714	59.9%
2000	\$ 257,131,767	\$ 440,350,786	58.4%
2001	\$ 242,786,933	\$ 410,128,214	59.2%
2002	\$ 228,261,533	\$ 395,366,643	57.7%
2003	\$ 223,773,433	\$ 383,813,500	58.3%
<b>Avg 94-03</b>	<b>\$ 210,964,835</b>	<b>\$ 359,833,592</b>	<b>58.6%</b>

Source: City of Scottsdale Tax Audit

Note: Based on revenues generated at properties within the City of Scottsdale

Table 9  
**Hotel/Motel Revenue Streams**  
**FOR 12 MONTHS ENDING APRIL, 2004**

Resort	Total Revenues Paid*	Bed Tax Paid	Privilege Tax Paid
	69%	65%	75%

Full Service	Total Paid	Bed Tax Paid	Privilege Tax Paid
	11%	12%	10%

Limited Service	Total Paid	Bed Tax Paid	Privilege Tax Paid
	19%	23%	15%

Source: City of Scottsdale Tax Audit

Note: \*= percentages may not add up to 100% due to rounding

## MARKET AREA GOLF AND DESTINATION EVENTS

Tourism in the City of Scottsdale is driven by several factors -- destination resorts, special events, golf, desert environment, southwestern culture, and of course, weather. This section provides an overview of the golf courses, spa facilities and special events that take place in the market area throughout the year.

*Table 10* lists all golf courses in the Scottsdale/Paradise Valley market area. However, *not all of these courses are available to visitors* – access to private courses is not necessarily available to visitors. Further, some golf courses are open only to guests of adjacent hotels.

In addition to golf, destination spas are another attraction to Scottsdale tourists. Visitors that come to Scottsdale for rest and relaxation can find destination and day spas throughout Scottsdale. *Table 11* lists some of the destination spas located at resorts in the Scottsdale/Paradise Valley market area.

The major special events that are held in Scottsdale are listed at the end of this document. Numerous special events take place in Scottsdale/Paradise Valley market area throughout the year. The City of Scottsdale elects to support many of these events through the use of bed tax funds. Specifically funded are those events that meet the Commission's desired themes -- Western, Golf, Art, Culinary, and Participatory Sports. All events listed are held in Scottsdale unless otherwise noted.

**Table 10**  
**Scottsdale/Paradise Valley Market Area Golf Courses**

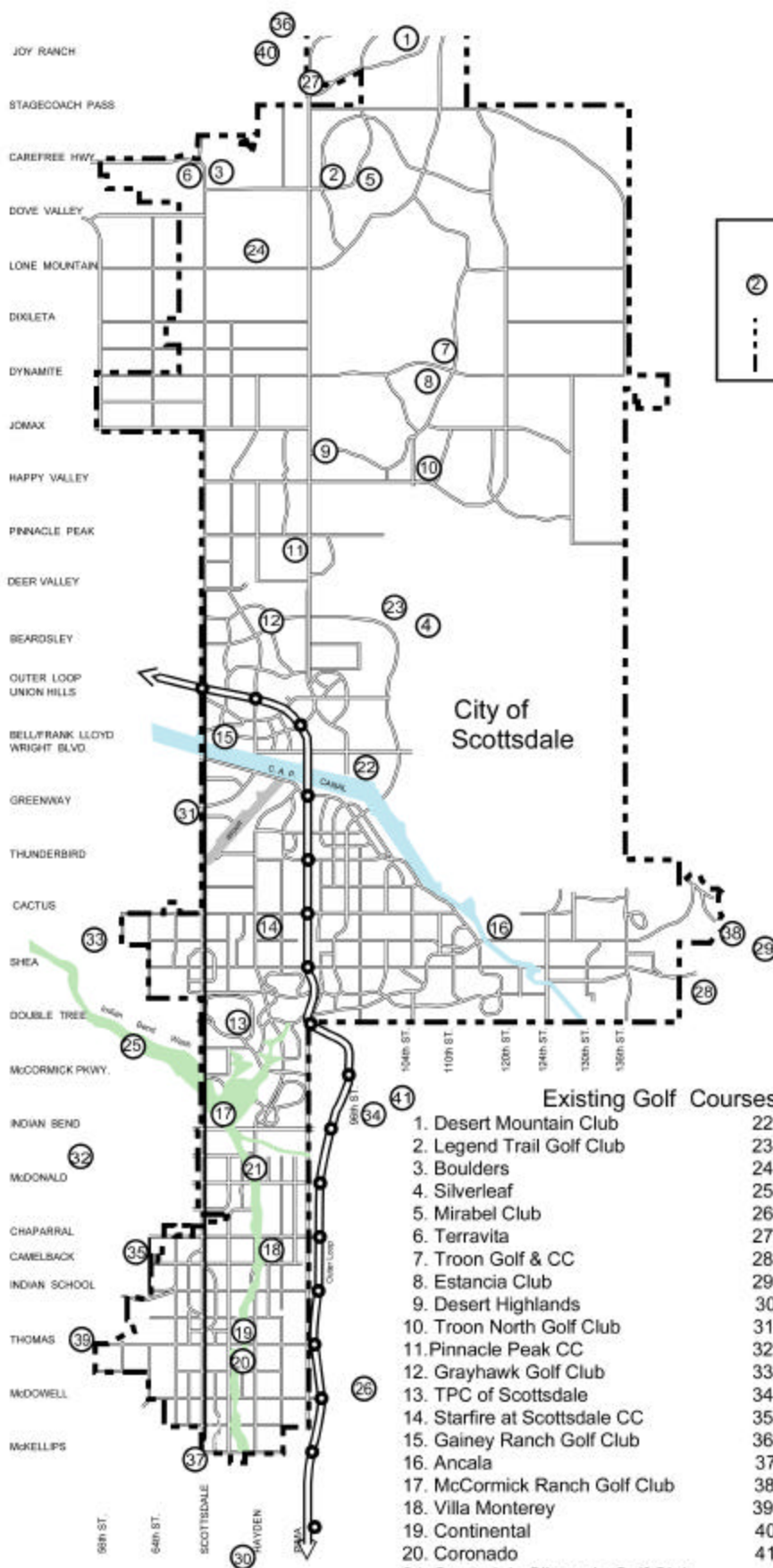
<b>Course Name</b>	<b>Location</b>	<b>Holes</b>	<b>Course Design</b>	<b>Course Type</b>	<b>Par</b>	<b>Architect</b>
Ancala Country Club	Scottsdale	18	Desert	Private	72	Dye Design
Boulders	Carefree	36	Desert	Semi-Private Resort	72	Jay Morrish
Marriott's Camelback	Scottsdale	36	Traditional	Semi Private	72	Red Lawrence
Continental	Scottsdale	18	Traditional	Public	60	Harding/Nash
Coronado	Scottsdale	9 (exec)	Traditional	Public	31	Harding/Nash
Cypress	Scottsdale	9 (exec)	Traditional	Public	30	Van Bocchini
DC Ranch	Scottsdale	18	Desert	Private	72	Scott Miller
Desert Canyon	Fountain Hills	18	Desert	Public	71	John Allen
Desert Highlands	Scottsdale	18	Desert	Private	72	Jack Nicklaus
Desert Forest	Carefree	18	Desert	Private	72	Red Lawrence
Desert Mountain	Scottsdale	108	Desert	Private	72	Jack Nicklaus
Estancia	Scottsdale	18	Desert	Private	72	Tom Fazio
Eagle Mountain	Fountain Hills	18	Traditional	Public	71	Scott Miller
Gainey Ranch	Scottsdale	27	Traditional	Private/Resort	72	Benz & Poellot
Grayhawk	Scottsdale	36	Desert	Public	72	Graham Panks Fazi
Karsten (ASU)	Tempe	18	Scottish Links	Public	72	Pete Dye
Kierland	Scottsdale	27	Traditional	Public	72	Scott Miller
Legend Trail	Scottsdale	18	Desert	Public	72	Rees Jones
McCormick Ranch	Scottsdale	36	Traditional	Public/Resort	72	Desmond Muirhead
Mirabel Club	Scottsdale	18	Traditional	Private	72	Tom Fazio
Mountain Shadows	Scottsdale	18	Traditional	Public/Resort	56	Jack Snyder
Orange Tree	Phoenix	18	Traditional	Public/Resort	72	Johnny Bulla



<b>Course Name</b>	<b>Location</b>	<b>Holes</b>	<b>Course Design</b>	<b>Course Type</b>	<b>Par</b>	<b>Architect</b>
Pavilion Lakes	Scottsdale	18	Desert	Public	71	Not Listed
The Phoenician	Scottsdale	27	Desert/Tropical	Public/Resort	70	Flint and Robinson
Pinnacle Peak	Scottsdale	18	Traditional	Private	72	Dick Turner
Rancho Manana	Cave Creek	18	Desert	Semi Private	70	Bill Johnston
Rio Salado	Tempe	9	Traditional	Public	33	Mike Morely
Sanctuary	Scottsdale	18	Desert	Public	71	Randy Heckenkemper
Silverado Golf Club	Scottsdale	18	Traditional	Public	70	Gilmore Graves
Silverleaf	Scottsdale	18	Desert	Private	72	Tom Weiskopf
Starfire at Scottsdale C.C.	Scottsdale	27	Traditional	Semi-Private	71	Arnold Palmer
Stonecreek	Phoenix	18	Links	Semi Private	71	Dye & Gradstaff
SunRidge Canyon	Fountain Hills	18	Desert	Public	71	Keith Foster
Talking Stick	SRPMIC	36	Traditional/Links	Public	70	Crenshaw/Coore
Tatum Ranch	Cave Creek	18	Desert	Public/Resort	72	Robert Cupp
Terravita	Scottsdale	18	Desert	Semi Private	72	Casper/Ranch
Tournament Players Club of Scottsdale	Scottsdale	36	Stadium/Desert	Public	71	Weiskopf/Morrish
Troon	Scottsdale	18	Desert	Private	72	Weiskopf/Morrish
Troon North	Scottsdale	36	Desert	Semi Private	72	Weiskopf/Morrish
Whisper Rock Golf Course	Scottsdale	18	Desert	Private	72	Phil Mickelson
Villa Monterey	Scottsdale	9 (exec)	Traditional	Public	30	Jack Snyder

**Source:** City of Scottsdale, 2004 Golf Report

Map 2 on the next page shows the location of all types of golf courses in the Scottsdale/Paradise Valley market area.



<b>Table 11</b>	
Scottsdale/Paradise Valley Market Area Destination Spas	
<b>Spa</b>	<b>Location</b>
Sonoran & Golden Door Spa	The Boulders
Spa De Da	Carefree Conference Resort
The Spa at CopperWynd	CopperWynd Resort and Club
Willow Stream	Fairmont Princess Resort
Four Seasons Spa	Four Seasons Resort
Marriott's Revive Spa	JW Marriott Desert Ridge
Sonwai Spa	Hyatt Regency Scottsdale
The Spa	Marriott's Camelback Spa
Centre for Well-Being	The Phoenician
The Mist Spa	Radisson Resort Scottsdale
The Spa	The Sanctuary on Camelback Mountain
The Spa	Scottsdale Conference Resort
The Salon	The Scottsdale Plaza Resort
Agave	Westin Kierland Resort & Spa

Source: Scottsdale Convention & Visitors Bureau

## **Selected Special Events**

### **JANUARY**

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Tostitos Fiesta Bowl, Sun Devil Stadium, Tempe  
 Fiesta Bowl Art Walk, Scottsdale  
 Barrett Jackson Classic Car Auction  
 FBR Open Golf Tournament  
 P.F. Chang's Rock-n-Roll Marathon  
 Russo & Steele Car Auction  
 Arizona Sun Country Quarter Horse Show

### **FEBRUARY**

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Parada del Sol Parade & Rodeo  
 Scottsdale Arabian Horse Show  
 Scottsdale Indian Artists of America Show

### **MARCH**

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Arizona Men's Tennis Classic  
 Major League Baseball Spring Training, San Francisco Giants  
 National Festival of the West  
 Scottsdale Arts Festival

## APRIL

Scottsdale Culinary Festival  
Sol Fest Southwest

## MAY - AUGUST

Cinco de Mayo Celebrations, Citywide  
Summer Spectacular Art Walk

## OCTOBER

Arizona Desert Circuit Classic (Appaloosa)  
Western Art Walk Weekend

## NOVEMBER-DECEMBER

Artfest of Scottsdale  
Carefree Fine Art and Wine Festival

## ON-GOING ACTIVITIES

Scottsdale Art Walk, Thursday nights, Downtown Scottsdale  
The Borgata Farmers Market, Fridays  
Scottsdale Center for the Arts, Permanent art collection, musical, dance and theatrical performances throughout the year.  
Scottsdale Museum of Contemporary Art, Permanent art collections and outside exhibits  
Rodeo Series at Rawhide (May, June)  
Scottsdale Polo Club at Westworld, November through April, Saturdays and Sundays